CITY OF KENT

Parks, Recreation & Community Services Housing and Human Services Division

FIRST AMENDMENT of the 2014 ANNUAL ACTION PLAN

A. BACKGROUND

- 1. The 2013-2017 CDBG Consolidated Plan for Housing and Community Development provides a framework for implementing housing, human services and community development activities from 2013-2017.
- 2. Each year the City of Kent executes specific-actions to implement the objectives and strategies of the five-year Consolidated Plan, which are outlined in an Annual Action Plan.
- 3. The City's Annual Action Plan is due to HUD on November 15th of each year; this deadline is usually before HUD issues fiscal year allocations based on the Congressional budget.
- 4. The City projected a CDBG allocation of \$914,499 for 2014.
- 5. The 2014 Annual Action Plan was approved by Kent City Council on November 5, 2013.
- 6. Although CDBG regulations mandate a November 15th submission date, the local HUD office asked the City to delay submission pending further notice.
- 7. On December 13, 2013, the City received notice that the HUD national office issued new guidance for submitting the 2014 Annual Action Plan.
- 8. The thrust of this guidance is to require that jurisdictions delay submission of the 2014 Annual Action Plan until up to 60 days after HUD announces FY 2014 formula allocations, or until August 16, 2014 (whichever comes first). This will ensure that Annual Action Plans submitted to HUD include the City's actual CDBG allocation.
- 9. The City will ensure that the public is also notified of its actual allocation.
- 10.HUD guidance states that a citizen participation process conducted before formula allocations are announced, should include a contingency provision explaining how the City will adjust its funding among projects if there is an increase or decrease in estimated funding; the City's draft Action Plan did not include a contingency plan.
- 11.Because HUD is extending the period for submission of Action Plans, jurisdictions are granted a waiver of the provisions of 24 CFR 570.200(h) and may treat the effective date of the grant agreement as the program

- year start date (January 1, 2014), or the date that the Action Plan is received by HUD (whichever is earlier).
- 12. This waiver allows agencies that the City funds to begin services 1/1/2014, although they cannot receive payment until the City signs its contract with HUD.
- 13. Jurisdictions using this waiver must keep written documentation of the conditions requiring such a waiver.
- 14. The activity for which pre-award costs are being incurred must be included in the draft Action Plan **prior** to the costs being incurred and the public must be informed of how these costs will affect future grants.

B. AMENDMENT

- 1. Amend the 2014 Annual Action Plan pursuant to HUD guidance issued on December 13, 2014.
- 2. The amendment shall include the following provisions:
 - a) A statement that the CDBG allocation listed in the 2014 Annual Action Plan is an estimate;
 - A statement that once HUD announces FY 2014 CDBG formula allocations, the City will post its actual CDBG allocation on the City of Kent Parks Department, Human Services Division website, and electronically notify the public of this posting (this will include an update in allocations among projects);
 - c) A statement that in the event the City receives an increase or decrease in funds, funds will be allocated as follows:

Public Services

- In the event of a funding increase, funds will be allocated proportionally among projects
- In the event of a funding decrease, funds will be deducted proportionally among projects-all projects will receive at least \$10,000

Capital

- In the event of a funding increase, funds will be allocated proportionally among projects
- In the event of a funding **decrease**, the Home Repair Program will receive a \$69,424 decrease, which will leave its allocation at \$500,000
- d) A statement that the City will incur pre-award costs necessary to develop the Action Plan and administer the CDBG Program;
- e) Incurred pre-award costs could impact the 2014 grant in the event the City does not receive the estimated Planning and Administration

- allocation and has to limit its P & A activities; in the event this happens it should have a minimum or zero impact on future grants;
- f) A statement that the City will take advantage of a waiver of the provisions of 24 CFR 570.200(h) and will treat the effective date of the grant agreement as the program year start date (January 1, 2014);
- g) A statement that the City will keep written documentation of the conditions requiring a waiver of 24 CFR 570.200(h); and
- h) A statement that this waiver allows funded projects to begin services retroactive to 1/1/2014, although projects are prohibited from receiving CDBG funds until the City signs its contract with HUD.

